



ERIC Retirement
Specialists Proudly
Present:

Retirement

Unlocking the
Mysteries of State
Retirement

Today's Agenda

Initiating Retirement

Leave Benefits at Retirement

401(k) and 457 Contributions

Timing your Retirement Wisely

Pension & Leave Calculators

So you are planning to Retire?

- What steps should you take?
- Who should you contact?
- What should you know?
- When is the best time to retire?



Initial Steps

Leave Benefits

401(k)/457

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What steps should you take?

- Pick a retirement date and a last day working
 - URS retirement dates: 1st and 16th of each month.
 - Last day at work can not be your URS retirement date but can be any day prior.



What steps should you take?

- Contact:
 - Employee Resource Information Center (ERIC) – Within 3 months of your retirement date
 - Utah Retirement Systems (URS)- 3 months prior to retirement preferred
 - Public Employees Health Program (PEHP)- once you have received your estimate from ERIC.
- Notify your supervisor of your intent to retire:
 - Last day you will be at work
 - Retirement date



Contact the Employee Resource Information Center

- Ways to Contact ERIC
 - Call ERIC customer service 801-538-3742 when you are within 3 months of your retirement date.
 - Send ERIC an email using the Ask ERIC link from the Employee Gateway.
- Work with an ERIC Retirement Specialist:
 - Calculate Leave payouts (Annual, Comp, Excess)
 - Calculate Sick Leave retirement benefits
 - Calculate Final Paycheck
 - Calculate 401K/ 457 Deferrals



Contact Utah Retirement Systems (URS)

- Speak to a Retirement counselor to see if you are eligible to retire.
- Ask questions about your 401K.
- Ask how your pension is calculated and what your monthly check will be.
- 801-366-7770



Contact PEHP

- Ask questions about continuing your health care coverage
- Ask about continuing your life insurance
- Call either Michelle Davis 801-366-7512 or Crystal Clark 801-366-7575



What should you know?

- Benefits of Annual, Comp, and Excess leave
- Benefits of Program I Sick leave (Pre-06)
- Benefits of Program II Sick leave (current)
- 401K/ 457 maximum contributions
 - Employee vs. Employer



Annual, Comp*, Excess Leave

- At retirement or termination any annual, comp*, or excess leave you have accrued will be paid out to you on your final paycheck.
- You may choose to defer part or most of your final check into a 401k/457 plan.
- If you have your leave paid out to you, it is considered a lump sum payment.
 - Lump sum payments are Federally taxed at a flat 25% rate.

*FLSA exempt employees must use their comp leave. It will not be paid out.

Program I Sick leave

(pre-06 sick and pre-06 converted sick.)

- 25% of your program I sick leave will be placed into your 401K account. (If you do not already have a 401K account one will be opened for you.)
- 75% of your program I sick leave may pay for months of continued health insurance coverage
- 8 hours of program I sick leave purchases one month of health insurance.
 - If younger than age 65 = 8 hours covers the State's portion of medical insurance premiums for everyone on your plan.
 - If age 65 or older = 8 hours purchases a Medicare supplemental plan for the retiree only.
 - For an additional 8 hours of program I sick, your Spouse may continue to be covered. (All other dependents are no longer covered when the retiree turns 65.)

Program II Sick Leave

(Current sick and current converted sick)

- 25% of your program II sick leave hours are placed in your 401K account. (If you do not already have a 401K account one will be opened for you.)
- 75% of your program II sick leave will be placed in a Health Reimbursement Arrangement (HRA) account for medical expenses.

- HRA is calculated at either your hourly rate, or the average retiree hourly rate, whichever is higher.



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401K / 457 contributions

- Maximum combined contributions for 2013 is \$51,000 or 100% of your yearly earnings, which ever is less.
 - If younger than age 50 the employee maximum contribution is \$17,500.
 - If age 50 or older the employee maximum contribution is \$23,000.
- *Sick leave contributions are employer contributions.



When is the best time to retire?

- Every retirement is different. You should pick a time that fits your needs the best.
 - Do you need more months of continued health care?
 - Do you need more funds in your HRA?



Do you need more months of continued health care?

- Retiring on December 16th or January 1st **may** allow you to maximize your months of continued health insurance coverage. (First paychecks of new tax year.)
- Due to IRS 401K limits, you may be able to defer enough of your final paycheck to reach the maximum yearly 401K contributions.
- By maximizing your 401K contribution:
 - Fewer hours from your Program I and Program II sick leave will be placed into your 401K.
 - More hours from your Program I and Program II sick leave will be used for months of health insurance and HRA funds.

Do you need more funds in your HRA?

- By retiring on December 16th or January 1st and deferring part of your final check into your 401K, more of your sick leave hours may go into your HRA account.
- If you do not need the continuation of health care you may move your Program I sick leave into your Program II sick leave by signing the “One Time and Irrevocable Authorization to Transfer all Program I Sick Leave and Converted Sick Leave Hours to Program II” form.

Additional Tools Available

- URS Pension Calculator
 - Visit WWW.URS.ORG
 - Click on **Members** button on left of screen
 - Click on **Calculators** on the left of screen
 - Click on the calculator you wish to use.
- Employee Gateway
 - Retirement Section for information on Retirements
 - Retirement Calculator Tool

Retirement Calculator tool

- Log into the Employee Gateway
- Select Retirement from drop down menu
- Scroll to bottom right of screen
- Click on retirement tool
- Open spreadsheet
- Fill in yellow boxes



Unused Leave Benefit Estimator for Retirees

This calculator is a basic tool to help you begin to estimate your retirement benefits*. This is only designed to show the general process of how leave benefits are calculated based on your Pre-2006 Sick Leave, Pre-2006 Converted Sick Leave, current (non Pre-2006) Sick Leave and current Converted Sick Leave. Any Annual, Excess, or Compensatory Leave (for Non-Exempt Employees) will either be paid out at cash value on your last paycheck or contributed to your 401(k) or 457 account, according to your choice. For more **accurate** and **specific** information, you must contact the Employee Resource and Information Center (ERIC) . To calculate your estimated monthly retirement benefit from URS: <https://www.urs.org/calculators/Pages/RetirementDisclaimer.aspx>

Please enter your information in yellow boxes according to your most recent pay statement or information found on ESS. The rest of the boxes will automatically calculate based on your information. For help in each box, hover over the box label for further explanations. Additional information is found at the bottom on the form (you may need to scroll down).

For further questions, please contact the Employee Resource and Information Center (ERIC) at 801-538-ERIC (3742) or by using the **AskERIC** link on the Employee Gateway homepage.

Antic. # of Program I Sick Hours		Antic. # of Program II Sick Hours		Antic. # of Annual Leave Hours	
Antic. # of Program I C. Sick Hours		Antic. # of Program II C. Sick Hours		Antic. # of Comp Leave Hours	
Sub-Total Program I Hours ***	0	Sub-Total Program II Hours	0	Antic. # of Excess Leave Hours	
25% 401(k) Contribution (Hours)	0	25% 401(k) Contribution	0	Employee's Hourly Rate**	
401(k) Contribution (Money)	\$0.00	401(k) Contribution (Money)	\$0.00	Total 401(k) Contribution (Money)	\$0.00
Remainder Program I Hours	0	Remainder Program II Hours	0	Total of Unused Annual, Comp, and Excess Leave Hours	0
Months of Available Health Insurance	0	Unused Program I Hours	0		
Unused Program I Hours	0	Total of Unused Program I and II Hours	0	Total Cash Value of Annual, Comp, and Excess Leave Hours ****	\$0.00
		HRA Dollars	\$0.00		

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Antic. # of Program I Sick Hours	870	Antic. # of Program II Sick Hours	359.25	Antic. # of Annual Leave Hours	70.25
Antic. # of Program I C. Sick Hours	320	Antic. # of Program II C. Sick Hours		Antic. # of Comp Leave Hours	
Sub-Total Program I Hours ***	1190	Sub-Total Program II Hours	359.25	Antic. # of Excess Leave Hours	
25% 401(k) Contribution (Hours)	297.5	25% 401(k) Contribution	89.8125	Employee's Hourly Rate**	\$25.98
401(k) Contribution (Money)	\$7,729.05	401(k) Contribution (Money)	\$2,333.33	Total 401(k) Contribution (Money)	\$10,062.38
Remainder Program I Hours	892.5	Remainder Program II Hours	269.4375	Total of Unused Annual, Comp, and Excess Leave Hours	70.25
Months of Available Health Insurance	111	Unused Program I Hours	4.5		
Unused Program I Hours	4.5	Total of Unused Program I and II Hours	273.9375	Total Cash Value of Annual, Comp, and Excess Leave Hours ****	\$1,825.10
		HRA Dollars	\$7,116.90		

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Questions?





801-538-3742

Ask ERIC